



Future Use of Hyland Greens

Hyland Greens Task Force

December 16, 2015

Presented below is a discussion about the three major categories for the future use of Hyland Greens Golf and Learning Center – golf, park or development. It should be noted that the scenarios discussed here are not intended to represent an exhaustive review of all of the possibilities for Hyland Greens; instead, they are meant to promote discussion and deliberation among the task force’s members. The task force is asked to conduct due diligence on the three major categories and decide which one to focus on for further dialogue and research.

Golf

Under this category, Hyland Greens would continue to operate as a golf facility. However, there are a number of scenarios for how the course could be operated and maintained. These options range from the City continuing to operate Hyland Greens in its current state to leasing the course to a company that would provide and fund all services including capital improvements.

Scenario #1: Status quo – continue to operate Hyland Greens in its current state.

Hyland Greens could continue to operate as a City golf facility, with the Golf Course Fund covering the operational costs for both Dwan and Hyland Greens. This scenario assumes that Dwan would pick up any operating deficits from Hyland Greens.

The budgets for Dwan and Hyland Greens are considered enterprise funds. An enterprise fund is typically used for government functions that are self-supporting, with expenditures offset by revenues collected from customers in the form of fees or charges. Over the past 20 years, the Golf Course Fund has transferred out more than \$2 million to assist other funds with the acquisition of capital improvements. In recent years, large capital improvement projects such as the new Dwan Maintenance Building and Dwan clubhouse roof replacement have hit the Golf Fund particularly hard. In 2012 and 2013, \$1,071,538 in strategic priorities dollars were transferred to Dwan to help fund the Dwan maintenance building project. In 2014, an additional \$800,000 was transferred into the Golf Fund to help replenish it.

Golf revenues for Hyland Greens are budgeted at \$410,060 in 2016. This assumes a \$1 increase in most of the greens fees at the course. Expenses for 2016 are estimated to be \$579,435. Funding for capital improvements has been eliminated to reduce costs. Property tax support of \$225,000 is budgeted for Hyland Greens to put it in the black in 2016. Without significant changes, though, Hyland Greens’ working capital balance is forecast to remain in the red for the foreseeable future.

Questions that should be addressed under this scenario are:

1. Should Hyland Greens be financially self-sustaining?
2. Should Dwan continue to cover Hyland Greens' operating losses?
3. Should Hyland Greens receive funding for operations and capital improvements from the City's General Fund?

Scenario #2: Implement operations and maintenance changes at Hyland Greens.

Under this scenario, the City would institute a number of improvements in Hyland Greens' operations and maintenance to attract additional business and make it more efficient and sustainable in the future. Changes could include the following:

- **Marketing:** The City could implement a comprehensive marketing plan and budget to promote the golf course and driving range that would include regular monitoring and evaluation. A key component would be to install a database management system to capture customer data. Other components could include primary and secondary market assessments, e-mail and direct mail advertising, website enhancements, e-mail newsletters, social media campaigns and utilization of group buying websites offering daily deals such as Groupon. The marketing campaign could be conducted in-house using existing resources or contracted out to a third-party vendor that specializes in golf marketing services.
- **Customer service:** Putting a concerted focus on customer service could generate new business, drive repeat business and develop long-term relationships. It could also improve operations and help to benchmark critical areas of customer service. One element could be to conduct customer surveys would provide objective data on guest satisfaction and uncover ways to improve service. Other activities could include customer service training for staff, customer loyalty programs and anonymous secret shoppers to provide feedback on the guest experience at Hyland Greens.
- **Pricing:** Hyland Greens could add discount greens fees for seniors and juniors or prepaid punch cards for greens fees, carts and the driving range. The course could also institute a special pricing program targeted to increasing rounds played during periods of low demand.
- **Online reservation system:** Implementing an integrated tee time reservation system would provide a web-based program for players to book golf tee times online 24/7. Such a system could be leveraged to more effectively market to customers, provide inventory control and deliver real-time management reports.
- **Cost controls:** Efforts could be made to increase efficiencies at Hyland Greens. Examples include decreasing staffing at the driving range by installing a ball dispensing machine or adjusting turf maintenance practices to reduce overall maintenance expenses. Another possibility for controlling costs might be to eliminate the internal service charges assessed by the City. Internal service charges totaled \$87,544 in 2014. Such a change would result in other areas of the City picking up these charges and would require City Council approval.
- **Consultant:** The City could hire an outside consultant to examine Hyland Greens in an effort to determine how the golf course facility and operations could be improved. A consultant could assess the course and identify opportunities for operational changes or architectural improvements that might reposition the course to more effectively compete with other courses in the market. A consultant could also uncover changes that could be made in

the short- and long-term to improve the course's financial performance and customer experience. The cost for consulting services could range from \$15,000 for a simple market assessment to \$50,000 for a full-blown analysis of the golf course's operations, staffing and budget.

Scenario #3: Contract with an outside vendor to operate Hyland Greens through a management agreement.

Some municipalities have privatized their golf course management through vendor agreements in an attempt to reduce financial risk and increase revenues. Under these arrangements, a golf course is professionally managed by either a golf company or an individual. There are different types of management agreements, depending on the preference of the municipality and the services of the provided by the management company.

Vendors typically enter into a contract that requires that they share revenue with the municipality. Cities also typically pay a fixed monthly fee, often with an incentive-based premium for performance. For instance, the City of Augusta, Georgia, entered into an agreement with a private management company that requires the city to pay a monthly management fee of \$3,000 until the course becomes profitable. The fee then rises to \$5,000, with a portion of the profits going to the city. Vendors have the opportunity to make substantial income under such arrangements.

While management companies can be skilled in turning around struggling courses, much of the profits generated by these for-profit companies ultimately leave the municipality. Also, there is no guarantee of the income stream. The City of Bloomington would likely still be required to purchase goods and services for Hyland Greens and budget for capital improvements under such an agreement.

There are a number of third-party golf course management companies that specialize in operating golf courses. Earlier this year, City staff contacted a variety of management companies to inquire whether they would have an interest in entering into an agreement to manage Hyland Greens. Four companies responded to the City's inquiry. After reviewing Hyland Greens' financials, the world's largest third party manager of golf operations responded that there was not enough scope, cost savings, revenue generation and potential efficiencies for them to take on Hyland Greens. Another golf management company replied that after analyzing the financials and number of rounds, the level of revenue generation was at such a point where a partnership would likely not make financial sense for either party.

While most private management companies are not attracted to managing a 9-hole course with no banquet facilities, it is possible that a private management company might be interested in managing both Hyland Greens and Dwan. However, Dwan also does not have a banquet facility that could help subsidize the operation for 6 – 7 months of the year.

Recently, the City has fielded inquiries from vendors interested in the possibility of managing Hyland Greens. One vendor is interested in entering into a management agreement provided that the City makes certain improvements to the course to enhance its profitability potential. The vendor is interested in having City construct a big cup course on the old driving range as well as a six-hole short game practice park. In addition, they are suggesting that the City build an indoor/outdoor driving range building, essentially a series of attached garages with roll-up doors for winter use, adjacent to the current driving range. Along with these improvements, the vendor is recommending that the City replace the current clubhouse with a new clubhouse. All costs for these capital

improvements would be borne by the City. The cost for the golf course improvements is estimated to be in the \$750,000 range, not including construction of a new clubhouse. The vendor proposes that a ten-year bond be floated to cover the expenses; they estimate that based on their projections for revenues and operational expenses, the payback on the bond would occur in 7 to 10 years. The vendor would receive a fee for its services to operate the golf course; the City would be required to pay all operations, maintenance and future capital expenses.

Scenario #4: Enter into a partnership on a year-round facility.

In March 2014, the Minnesota Golf Academy approached the City about a potential public-private partnership at Hyland Greens Golf and Learning Center. The crux of their business model was converting Hyland Greens into a year-round golf facility by constructing a 50,000-square foot building on the northeastern corner of the site. The building would have featured a driving range and short range bays as well as a large putting green. MGA proposed that the building be financed by taxable general obligation tax abatement bonds.

The City had planned to enter into a one-year management agreement with MGA for Hyland Greens during the 2015 golf season while the feasibility of constructing the indoor facility was being explored. The deal fell apart when MGA failed to provide its organizational, financial, and future obligation documentation by April 1, 2015.

Since that time, the City has been approached by a group of investors interested in bringing in a golf course management company to the Twin Cities that would introduce a different type of year-round concept. The concept involves a membership model that combines golf and fitness. This vendor has found that adding fitness centers to its golf clubs has helped to stabilize attendance throughout the year, reach more people, revitalize golf and diversify revenues. In addition to unlimited golf and fitness for a monthly fee, the company offers one membership to a group of affiliated golf courses. Discussions with the investor group have been preliminary to date; it is not known what financial involvement would be expected on the City's part for constructing the facility, managing the course and maintaining it.

Scenario #5: Lease Hyland Greens to a private operator.

Another potential scenario is a lease-back arrangement whereby the City would lease Hyland Greens to a third party while retaining ownership of the property. The City could lease the entire golf course to a private vendor that would provide and fund all services, including management, maintenance, operation and improvements.

A golf course lease agreement is currently being explored in Allentown, Pennsylvania. The City of Allentown issued a request for proposals this fall, seeking an operator to take over the operation and maintenance of its municipal golf course. Under the RFP, the lessee would be responsible for paying all operating and maintenance costs while managing the golf course. Allentown's RFP does not specify the duration of the agreement or a minimum price expected for the lease. The RFP requires the lessee to pay the city on a monthly basis and submit monthly reports on revenues.

A lease arrangement model for Hyland Greens could require a rental payment consisting of a percentage of the gross revenues, a capital reserve fund equal to a certain percentage of revenues and a revenue-sharing split on income exceeding a designated point on sales from greens fees, cart rentals

and driving range revenues. Under this model, the City could end up with a lease arrangement that provides funding on an annual basis with no requirement on the City's part to fund ongoing capital improvements.

Park

This category would eliminate the golf operations at Hyland Greens and turn the course into a park. This would preserve the green space that the community has experienced at this location for the past fifty years. Possibilities could range from creating a passive park with mowed turf, trails, picnic tables and park benches to a more active venue containing soccer, lacrosse and softball fields, and other active-use recreation amenities.

Other Golf Course Conversions to Parks

Converting former golf courses into parks is not a novel concept. Examples can be found in California, South Carolina, Indiana, New Jersey, Nevada, Florida and Washington. In New Jersey, an archery range was installed in an old practice putting green. In Richmond, Indiana, a nine-hole course was downsized into a three-hole practice facility, with the rest of the space devoted to general recreation. In North Las Vegas, Nevada, a defunct golf course became a regional park with a dog park, skate park, ballfields, volleyball courts and community garden. A fading golf course in Royal Palm Beach, Florida, now features playgrounds, a banquet garden, volleyball courts, picnic pavilions and a lawn for concerts in addition to a driving range and putting course.

More golf-to-park conversions are expected. In some cases, park conversions resulted as alternatives to redevelopment. In Deerfield Beach, Florida, the owner of an old golf course proposed a constructing housing on the site. Nearby residents who were concerned about increased noise and traffic countered with their own proposal – convert the property into a memorial park/cemetery.

A closed golf course in Lee County, Florida, has become a haven for outdoor enthusiasts. The county purchased an 11-acre section of a former 18-hole course in 2008 and turned it into an “eco-park.” Much of the golf course's topography such as berms and sand traps as well as existing trees was preserved. A half-mile paved multi-use trail was constructed around a three-acre prairie. Picnic pavilions, an outdoor fitness area, an observation deck and native plants were also added. The total cost for the park conversion, completed in 2013, was \$1.18 million. The annual maintenance cost for the 11-acre park in 2015 is \$30,880. This includes mowing, weeding and fertilizing. It does not include routine maintenance of buildings and garbage and recycling.

Locally, Edina's Fred Richards Golf Course is being re-envisioned as park and recreation land. A repurposing study calls for developing approximately 35% of the course's 42 acres into active recreational uses and dedicating 65% to passive forms of recreation such as trails, open space, community gardens, ponds and buffers. Closing the golf course gave the City of Edina the opportunity to provide a better trail alignment for Three Rivers Park District's regional trail instead of routing it on the street around the golf course. The City of Edina is planning an RFP process to hire a landscape architect to complete the final design of the site.

The base cost for repurposing Fred Richards from a golf course to a community park is estimated at between \$3 million to \$3.6 million. Improvements such as open parkland area enhancements (e.g., promenades, boardwalks, public art, etc.) and field game areas could raise the total price tag from \$6.6 million to \$7.9 million. A portion of the costs may be funded in partnerships with others, such as Three Rivers Park District for the regional trail and related development. The City of Edina has not yet estimated the annual maintenance costs for the new park since it is still in the visioning stage. The cost for maintenance could vary widely depending upon the actual amenities included in the final plan, amount of ponding, etc.

Hyland Greens Conversion Scenarios

Converting the Hyland Greens property to a City park offers a spectrum of possibilities. For the purposes of this planning exercise, three conversion scenarios have been researched.

- Scenario #1 - Minimal amount of park facilities (low-intensity usage)
- Scenario #2 - Moderate amount of park facilities (medium-intensity usage)
- Scenario #3 - Substantial amount of park facilities (high-intensity usage)

The potential plans and cost estimates prepared by staff for the three conversion scenarios are very rough and would need further refinement if any are deemed worthy of further exploration.

Scenario #1 - Minimal Amount of Park Facilities

At the minimal conversion level, selected golf course amenities would be removed, parkland would be restored and the park would receive basic maintenance.

- Current Amenities Removals – The following amenities would be removed - clubhouse, bituminous trails, perimeter fence, old driving range building and the new driving range building. Estimated cost - \$150,000.
- Parkland Restorations – turf would be restored in areas where amenities are removed, fill in the sand traps. Estimated cost - \$75,000.
- Native Plantings Conversion – Convert 75% of the turf to native plantings could reduce the area requiring mowing and weed control to around 18 acres at an annual cost of approximately \$15,000. The cost for establishing native plantings is estimated to be \$168,000 for 42 acres.
- Amenities Retained – The maintenance building, irrigation system, well and pump house by southwest pond, parking lot and lighting.

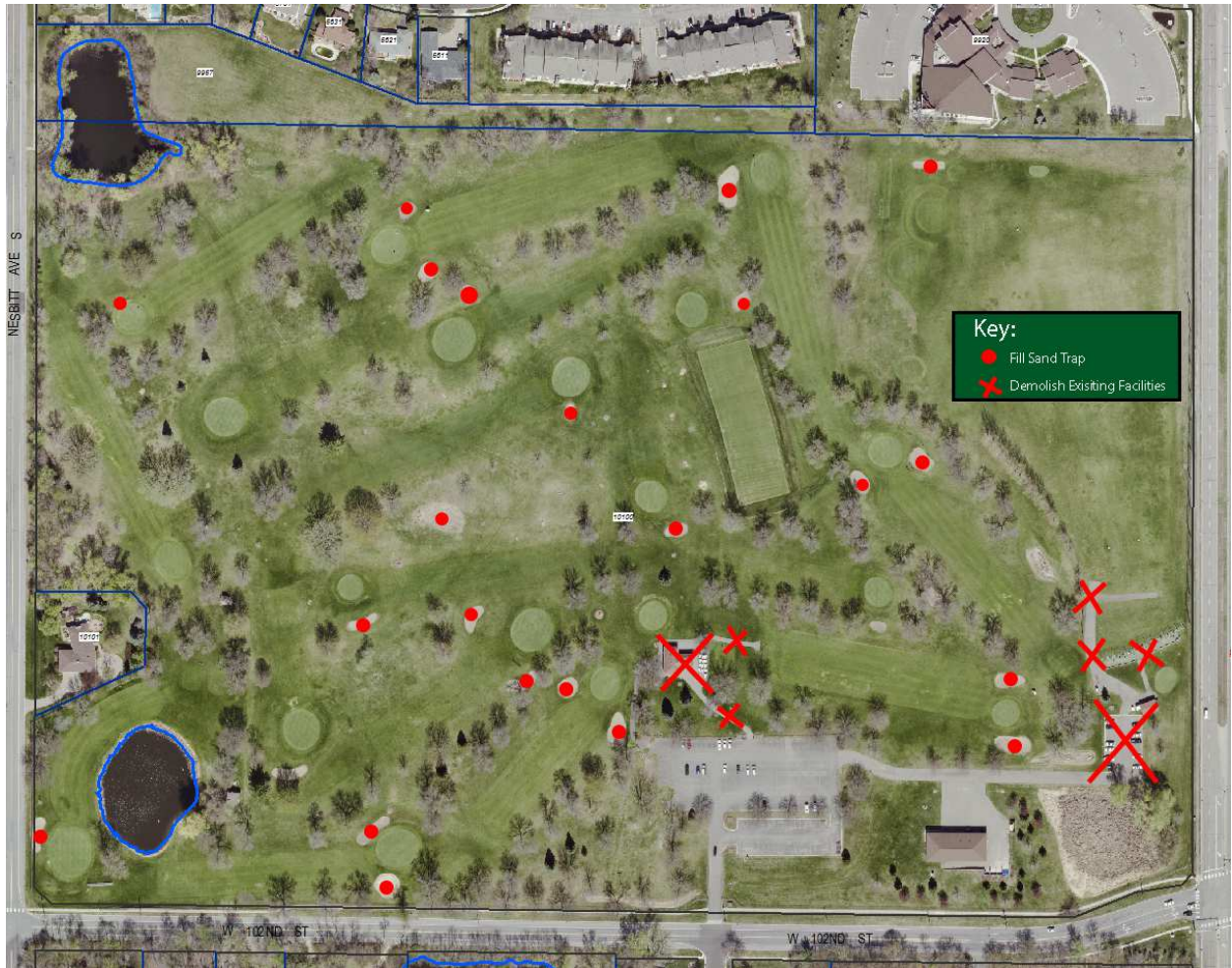
While the irrigation system would be retained, it would not be used except in extreme drought conditions. The parkland would receive basic maintenance that would include:

- Mowing on a two-week schedule
- Snowplowing the parking lot
- Annual tree trimming
- A limited number of trash containers with weekly service
- Driveway and parking lot maintenance (seal coating) on a seven year schedule – 87,160 sq.ft.
@ \$0.30/sq.ft. = \$26,148 divided by 7 years = \$3,735/year.

Converting Hyland Greens into a park would require budgeting money in the General Fund for its maintenance. The cost for basic maintenance of the approximately 56 acres is estimated at \$64,735 per year. None of these estimates includes the cost of maintaining buildings, the parking lot or other amenities already on the site, not to mention potential improvements and enhancements.

In the low-intensity park usage scenario, parkland would be available for low-intensity park usage without any specific amenities provided. Below is a map depicting the changes to be made to the property (see Figure 1).

Figure 1: Scenario #1 – Minimal Amount of Park Facilities



Scenario #1 - Minimal Amount of Park Facilities	Annual Maintenance Costs	Capital Costs
	\$64,735	\$393,000

Scenario #2 - Moderate Amount of Park Facilities

At the moderate conversion level, the same amenities would be removed or retained as listed above, plus the same restoration costs would be incurred (total cost - \$393,000). The following recreational amenities would be installed to facilitate medium-intensity public usage.

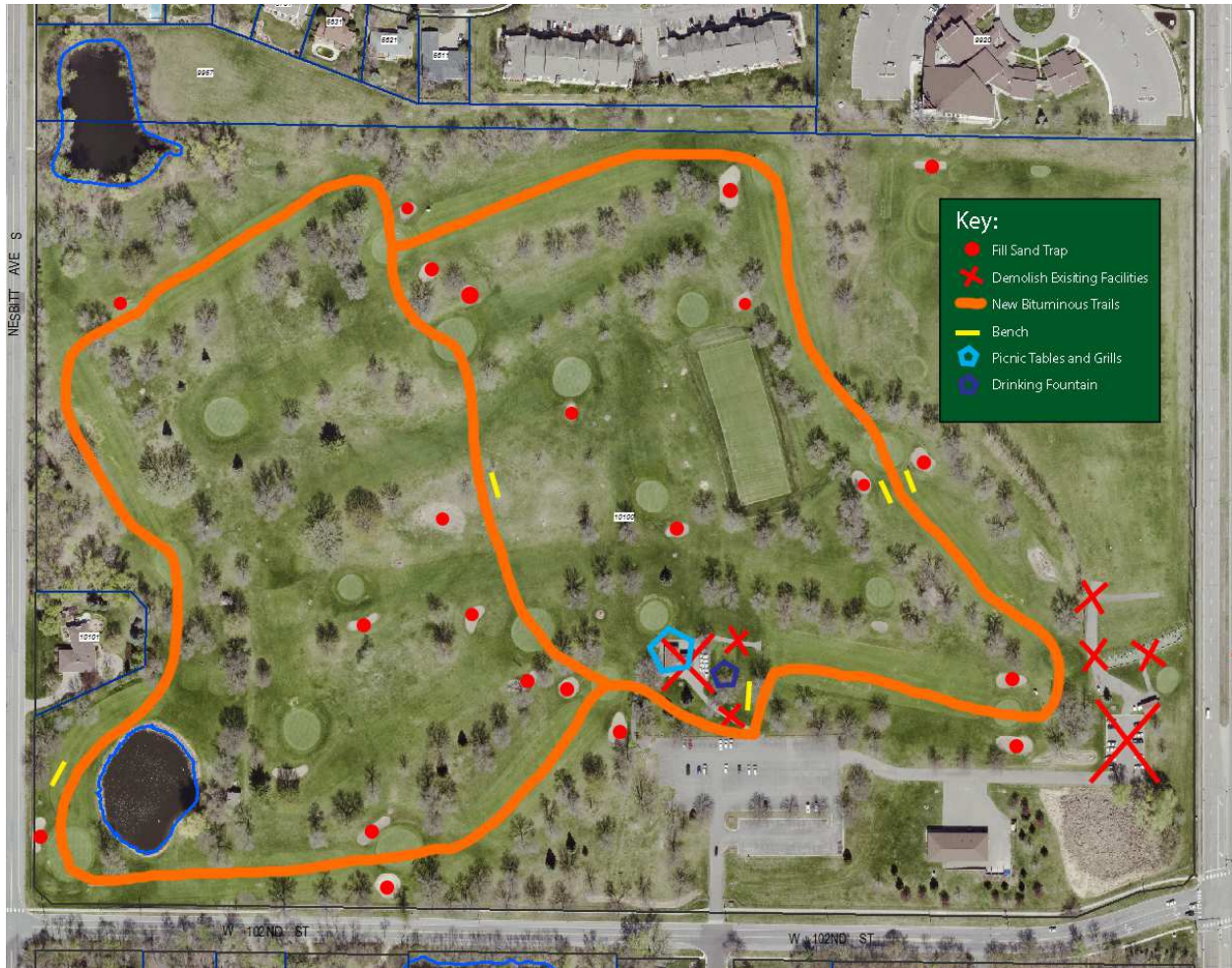
- A bituminous trail throughout the property with connections at the four corners of the property and the south parking lot. Approximately 6,500 linear feet at \$92.68/linear foot = \$602,791.
- Benches placed along the trail approximately at one every 1,000 feet on a concrete pad. Approximately seven benches/concrete pads at \$850 = \$5,950.
- Picnic tables and grills to be placed at two locations to facilitate picnicking. Six picnic tables/concrete pads at \$1,000 = \$6,000 and two grills with concrete footing at \$300 = \$600.
- Drinking fountain with water meter adjacent to water line located at current clubhouse - \$9,000.
- Total improvements estimated costs - \$1,017,341.

The irrigation system would be retained and would be used to maintain the turf areas. The parkland would then be maintained at the same level as neighborhood parks which would include:

- Mowing on a 10-day schedule
- Snowplowing the parking lot
- Annual tree trimming
- Trash containers with weekly service
- Monthly inspections of park amenities
- Trail sweeping twice a year
- Driveway and parking lot maintenance (seal coating) on a seven year schedule – 87,160 sq.ft. @ \$0.30/sq.ft. = \$26,148 divided by 7 years = \$3,735/year
- Trail maintenance (seal coating) on a seven year schedule – 6,500 linear feet @ \$0.80/linear feet = \$5,200 divided by 7 years = \$743/year.
- Total annual maintenance costs - \$90,000

The cost for maintenance of the approximately 56 acres is estimated at \$90,000 per year. The parkland would be available for medium-intensity park usage with the above amenities provided. A map depicting the changes to be made to the property is shown in Figure 2.

Figure 2: Scenario #3 – Moderate Amount of Park Facilities



Scenario #2 – Moderate Amount of Park Facilities	Annual Maintenance Costs	Capital Costs
	\$90,000	\$1,017,341

Scenario #3 - Substantial Amount of Park Facilities

At the substantial conversion level, the property would see significant improvements to facilitate high-intensity public usage. In this planning scenario, the property would be converted to an athletic playfield. While there are certainly other scenarios that could also be considered for this property, such as a community center or domed field, the playfield scenario is a good example of a high-intensity usage facility. The following improvements would be made:

- The following amenities would be removed - clubhouse, bituminous trails, old driving range building and the new driving range building. Estimated cost - \$80,000.
- Grade the property and construct eight athletic fields with lighting (i.e. softball, soccer, lacrosse). Estimated cost - \$6,750,000.
- A new rest rooms/concessions building - \$850,000.
- Two picnic shelters with picnic tables and grills - \$150,000.

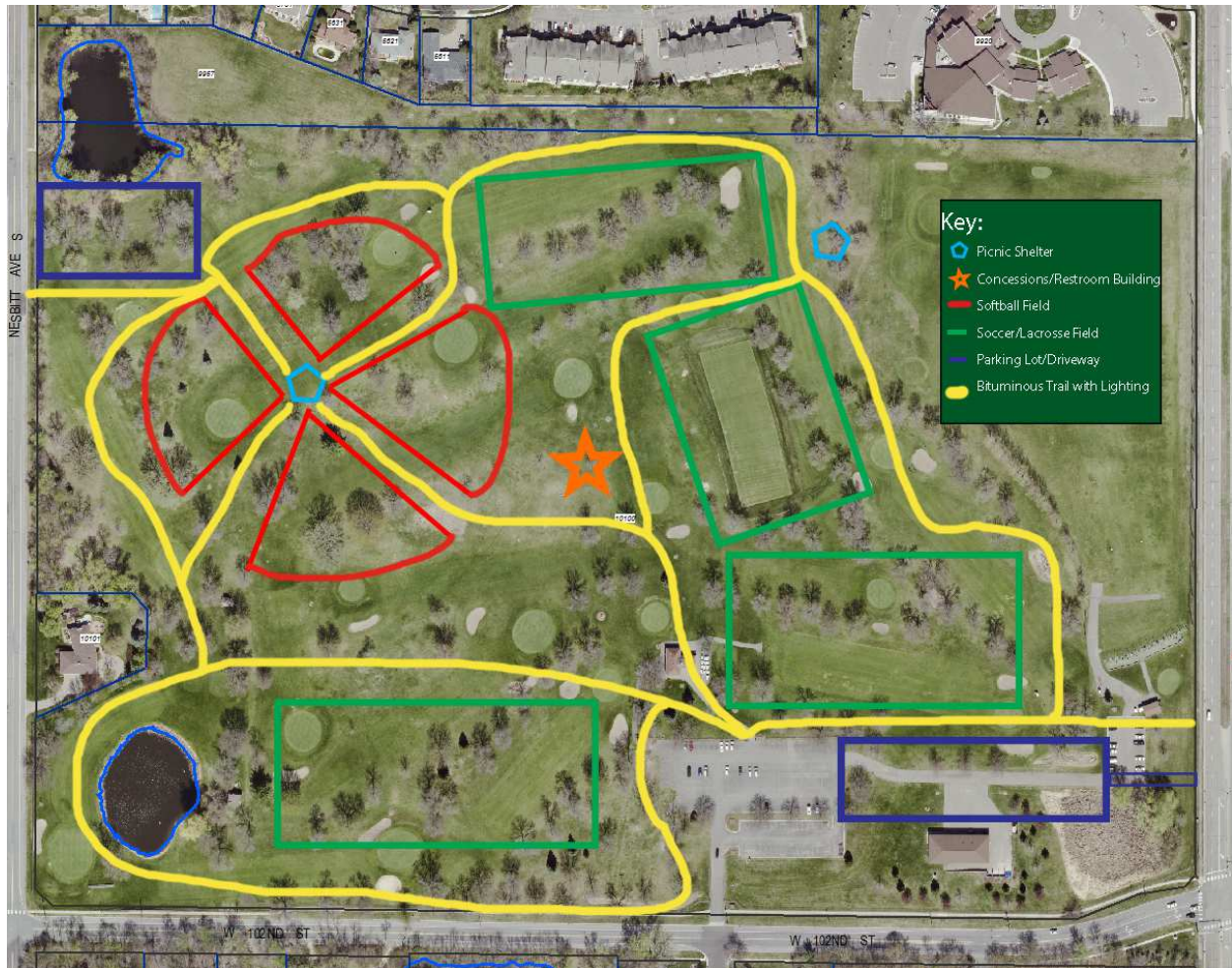
- A bituminous trail throughout the property with connections at the four corners of the property and the south parking lot. Approximately 10,500 linear feet at \$92.68/linear foot = \$973,140.
- Trail lighting - install approximately 140 - 20' tall, 150W light poles along 10,500 linear feet of trail - 140 @ \$6,000 = \$840,000.
- Benches to be placed along the trail – approximately one every 1,000 feet on a concrete pad. Approximately seven benches/concrete pads at \$850 = \$5,950.
- Playground equipment - estimated cost \$100,000.
- Additional parking - 100 parking spaces @ \$3,500 = \$350,000.
- Total improvements estimated costs - \$10,099,090.

The irrigation system would be retained and would be used to maintain the turf areas. The parkland would then be maintained at the same level as neighborhood parks that would include:

- Mowing on a 5 to 7 day schedule
- Daily field preparation – dragging infield, chalking foul lines, etc.
- Snowplowing the parking lot
- Annual tree trimming
- Trash containers with weekly service
- Monthly inspections of park amenities
- Trail sweeping monthly
- Existing driveway and parking lot maintenance (seal coating) on a seven year schedule – 87,160 sq.ft. @ \$0.30/sq.ft. = \$26,148 divided by 7 years = \$3,735/year
- New driveway and parking lot maintenance (seal coating) on a seven year schedule – 50,000 sq.ft. @ \$0.30/sq.ft. = \$15,000 divided by 7 years = \$2,143/year
- Trail maintenance (seal coating) on a seven year schedule – 10,000 l.f. @ \$0.80/l.f. = \$8,000 divided by 7 years = \$1,143/year.
- Total annual maintenance costs - \$227,000

The cost for maintenance of the approximately 56 acres for use as a playfield is estimated at \$227,000 per year. The parkland would be available for high-intensity park usage with the above amenities provided. Figure 3 displays a map depicting the changes to be made to the property.

Figure 3: Scenario #3 – Substantial Amount of Park Facilities



Option #3 - Substantial Amount of Park Facilities	Annual Maintenance Costs	Capital Costs
	\$227,000	\$10,099,090

Development

This section discusses potential development scenarios for the Hyland Greens Golf Course, noting the benefits and challenges of developing the parcel. It should be pointed out that the development scenarios discussed are extremely preliminary in nature and are not meant to be an exhaustive review of potential development scenarios. If developed, the City of Bloomington would have a unique opportunity to directly shape the future design of the 63-acre site.

Land Use Context

The approximately 63-acre Hyland Greens Golf and Learning Center (10100 Normandale Boulevard) is located at the intersection of Normandale Boulevard and W. 102 Street, as shown in Figure 4. The east side of the parcel, adjacent to Normandale Boulevard, is close to higher-intensity land uses including multi-family residential developments, a church and the Normandale Village shopping center at the corner of Normandale Boulevard and 98th Street. This commercial area includes a grocery store, a coffee shop, childcare centers, and multiple restaurants. In contrast, the majority of the western and southern sides of the parcel are surrounded by single family homes. Jefferson High School is located a little less than a mile to the east of the site. The Hyland Lake Park Reserve is also nearby; however, the Soo Line railway makes it difficult to access the park from this location.

Figure 4: Land Use Context Near Hyland Greens



Transportation Network Context

The transportation network surrounding Hyland Greens is mainly auto-oriented in nature; however there are opportunities to connect to existing transit, bicycle, and pedestrian networks.

Roadway Network

The parcel's location adjacent to Normandale Boulevard makes it easy to access from the regional and local roadway network. However, Normandale Boulevard also carries a large amount of traffic: approximately 20,600 vehicles use this segment of roadway per day. In contrast, as shown in Figure 5, W. 102nd St and Nesbitt Avenue, both collector streets, carry much lower levels of traffic – approximately 2,400 – 2,900 vehicles per day.

Figure 5: Transportation Networks



Transit Network

Three routes, two express routes (Route 589 and 597) and one local suburban route (Route 539), connect the area near Hyland Greens to locations in western Bloomington, the Normandale Lakes District, and downtown Minneapolis. All three routes make stops at the Normandale Village Park and Ride, located in the parking lot of the Normandale Village shopping center, as shown in Figure 5. These routes operate at fairly low frequencies (i.e. number of trips per hour/day) as is typical for suburban transit service. The

express route makes three to four trips per day and the local route operates approximately every 30 minutes on weekdays and every hour on weekends.

As part of the METRO Orange Line Bus Rapid Transit (BRT) project, a high-frequency BRT line connecting downtown Minneapolis to Burnsville, Metro Transit may add local feeder routes that would connect Normandale Village Park and Ride to the Orange Line. This will improve transit connectivity in the area; however frequencies for these feeder lines will likely not exceed one trip every thirty minutes. The METRO Orange Line is expected to open in 2019.

Bicycle and Pedestrian Network

As shown in Figure 5, an existing on-street bicycle facility is located along the entire western edge of the parcel on Nesbitt Avenue. Another on-street bicycle facility is planned along W. 102 Street. There is an existing asphalt trail along Normandale Boulevard that is very narrow and in poor condition. There is an existing sidewalk along W. 102 Street on the southern edge of the parcel, but there is no existing sidewalk on the west side of the parcel along Nesbitt Avenue.

Context Sensitive Development

Any potential development scenario for the Hyland Greens parcel should be appropriately scaled to the surrounding land uses and transportation network. Given the transition from higher intensity uses adjacent to the eastern side of the parcel to less intense, single family development on the western side of the parcel, it would be appropriate for any new development to mirror this continuum or to provide buffers from single family development. For example, a development scenario could include multi-family residential development adjacent to Normandale Boulevard and then transition to single family houses closer to Nesbitt Avenue. Multi-family development may be developed at a similar size and scale to adjacent multi-family projects, such as the Tealwood Apartments show in Figure 6.

Given the large size of the Hyland Greens parcel, a mix of development types is likely. However, due to the auto-oriented nature of the surrounding land uses and the lack of high-frequency, all-day transit service (i.e. service a person could rely on every day without needing a vehicle) it is appropriate to assume the large majority of residents will access the area by car. Adequate parking and roadway access will need to be factored into any future development.

Figure 6: View of the Tealwood Apartments, looking north from Hyland Greens Drive



Development Scenarios

As the Hyland Greens parcel land owner, the City is in the unique position to influence any new development. Unlike a typical private development, where the City has influence over only pieces of the development through code standards, the City could decide what types of land uses and amenities to develop to serve the City's goals. If the City chose to develop the parcel it is likely that a visioning session would occur to dictate the high-level goals for the development and then the City would work with a developer to ensure the proposed development would balance the City's goals with the needs of the market. This approach means identifying a specific development scenario which at this point in the planning process is not possible. However, all possible development scenarios can be split into two main categories:

Scenario #1: Full Development Scenario

Under a Full Development Scenario the large majority of the parcel would be developed for private use, with only a small portion retained for public easements (i.e. roads, bicycle and pedestrian paths, utilities, etc.) and open space and recreation amenities (i.e. a small park or natural corridor). A Full Development Scenario would maximize the revenue the City could generate from developing the property.

Scenario #2: Partial Development Scenario

Under a Partial Development Scenario a portion of the parcel would be preserved for public use while the remainder would be developed. To maximize revenue under this scenario, it would be necessary to develop at the highest intensities possible while respecting the land use and transportation context adjacent to the parcel. Given this context it would make most sense to develop the portion of the parcel closest to Normandale Boulevard or use a creative design to develop the middle of the property while leaving the outer portion untouched to buffer a higher intensity development from the surrounding neighborhoods. Figures 7 and 8 show two options for potential Partial Development Scenarios.

Figure 7: Partial Development Scenario A



Figure 8: Partial Development Scenario B



Estimating Value

Using recent past development projects as comparative examples, City staff developed a range of price assumptions to estimate the approximate range of revenue the City could expect to generate if it developed the Hyland Greens parcel. A range of assumed values by dwelling unit and densities by land use type were calculated based on similar development projects, such as Applewood Pointe Valley-West, a senior housing development, and Hidden Bluffs, a single-family home development. The densities used represent *gross* densities (i.e. public right-of-way, ponds, and wetland included in the calculation).

Full Development Estimate

The Full Development Scenario used to calculate this estimate is shown in Figure 9 with three land use types assumed: senior housing, townhomes, and single family dwellings. It is important to note that this scenario was chosen for illustrative purposes only – there are many other possible Full Development Scenarios.

As shown in Table 1, under this Full Development Scenario the City could expect approximately \$9.9 million to \$12.0 million in revenue from this mix of land uses, with multi-family/senior housing development being the land use type with the highest value per acre and townhouses being the lowest value per acre. It should be noted that if a townhouse development was designed at a higher density than 3.5 units per acre it would result in a higher price per acre for this land use type. Staff assumed a relatively low gross density to ensure a conservative value estimate.

Table 1: Full Development Assessment Assumptions

Land Use Type	Dedicated Area	Gross Density*	Total Dwelling Units	Unit Price Assumptions (in thousands)		Total Price (in millions)		Price per acre (in thousands)	
				Low	High	Low	High	Low	High
Single-Family	34 acres	2.0 units per acre	68 units	\$65	\$75	\$4.3	\$5.1	\$125	\$150
Townhouse	10 acres	3.5 units per acre	35 units	\$35	\$40	\$1.3	\$1.4	\$123	\$140
Senior Housing	15.2 acres*	20 units per acre	304 units	\$14	\$18	\$4.3	\$5.5	\$224	\$289
Full Development Total	63 acres	6.4 units per acre	407 units	-	-	\$9.9	\$12.0	\$157	\$190
Partial Development Total	25.2 acres	13.4 units per acre	339 units	-	-	\$5.6	\$6.9	\$217	\$274

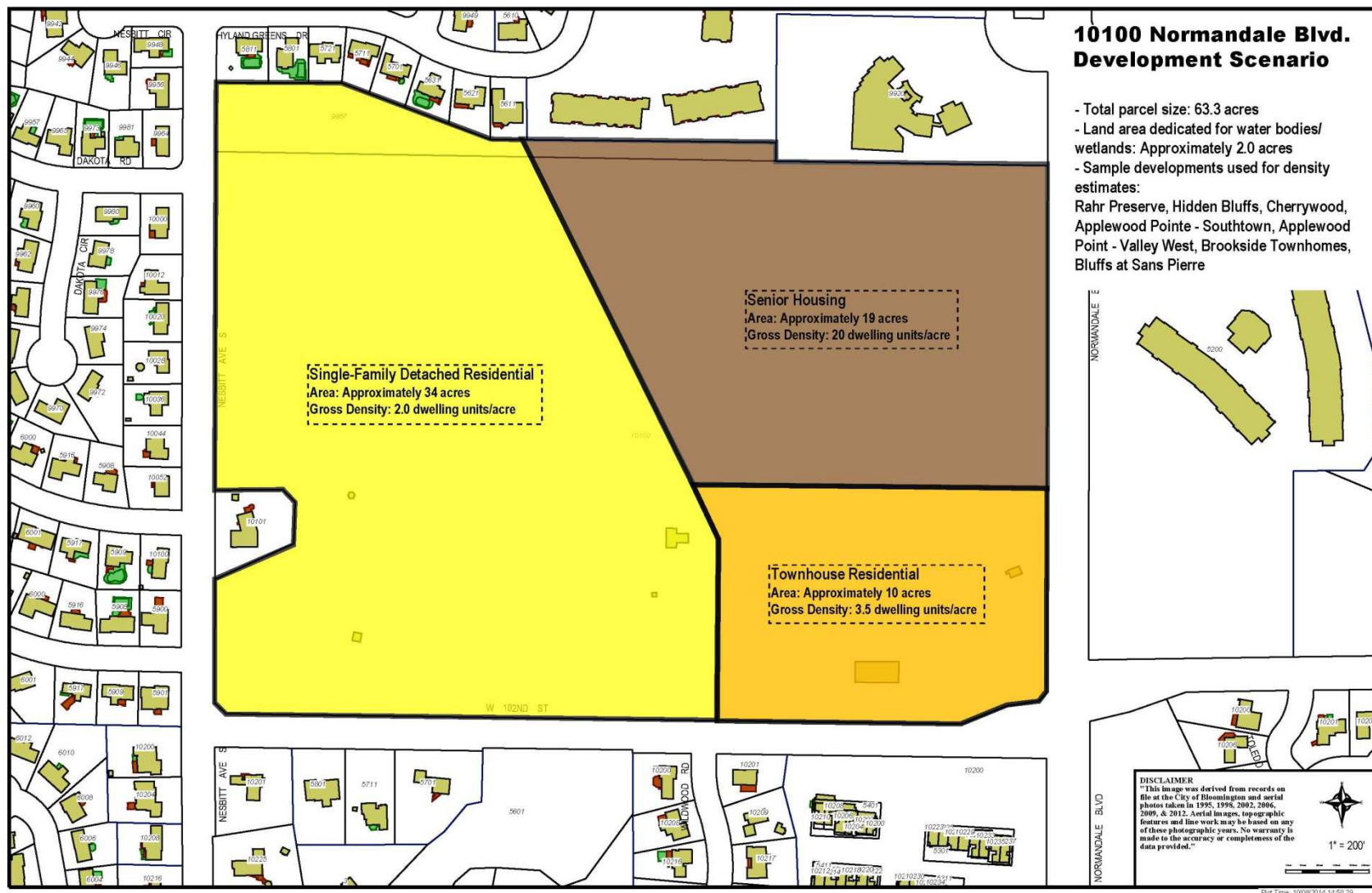
*NOTE: The total land area shown on Figure 6 is 19 acres. Staff deducted 20 percent from the total area to account for roads and other public easements.

Source: City assessing analysis, June 8, 2015

Partial Development Estimate

For a simple comparison, the Partial Development estimate assumed the same mix of senior housing and townhomes would be developed on the eastern side of the parcel, while leaving the western side of the parcel undeveloped (see Figure 9). As shown in Table 1, the City could expect approximately \$5.6 to \$6.9 million in revenue from this development scenario.

Figure 9: Development Scenario Assumptions for Assessment Calculations



Opportunity for Innovative Designs

Both the Full and Partial Development Scenarios offer the City the opportunity to actively partner with a developer to create an innovative project on the Hyland Greens parcel. A successful partnership could create a project that serves the real estate market as well as the City's goals. Some examples of innovative approaches include:

Small Lot Single Family Home Development

The majority of housing units within the City of Bloomington are single family homes on relatively large lots. The average single family home lot size in the City is approximately 15,000 square feet. If the Hyland Greens parcel is developed there is an opportunity to develop a project featuring smaller lots, thereby expanding housing options in the City. One regional example of this type of development is Liberty on the Lake in Stillwater, Minnesota. This small lot development built 34 single-family housing units with a typical lot size of approximately 7,700 square feet and also included a public park. An aerial shot and a street view of the development are shown in Figure 10.

Figure 10: Small Lot Development Example: Liberty on the Lake, Stillwater, MN





Preserve and/or add new community amenities

A creative site design could be employed to preserve some of the golf amenities currently on the site or to allow new community amenities to be added to the site. For example, the Partial Development Scenario B preserves the existing nine-hole course while developing the northeast corner of the site and the existing driving range. Other design options could focus on preserving natural corridors for bicycle and pedestrian travel, creating a space for community gardens or even solar gardens. The figures below show some examples of potential amenities. Again, as the landowner, the City of Bloomington would be in a unique position to define the types of amenities included in any potential development. There is also an opportunity to preserve or add additional enterprise generating funds to the development. For example, the City could maintain the driving range or add in a new activity such as mini-golf or lawn bowling. It is also important to remember that not all successful community amenities are large open spaces – a well-designed small space can have outsized impacts on the surrounding community. For example, Normal, Illinois turned a small roundabout into a dynamic public space, as shown in Figure 11.

Figure 11: Small, high impact park space in Normal, Illinois



Next Steps

Staff requests feedback from the task force members on the three major categories listed here for future use of Hyland Greens – golf, park or development. Staff will review the scenarios described in this memo at the next task force meeting on December 16 and seek direction on which one to focus on for further research and discussion.